

JULY 2003

Insight

For
benefits
administrators

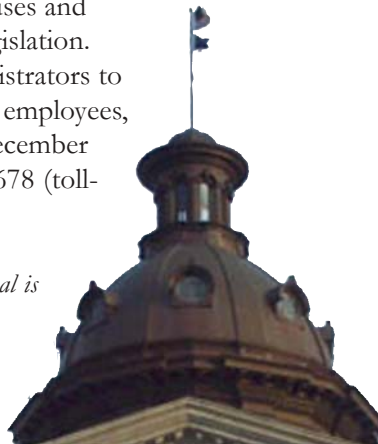
New legislation adds funded coverage for certain survivors (R134, S64)

The South Carolina General Assembly has amended §1-11-730 of the Code of Laws of South Carolina. The new legislation provides that health insurance premiums will be waived for one year for a covered spouse or dependent child of a covered employee, who is/was killed in the line of duty after December 31, 2001, and while working for a state-covered entity. Following the one-year waiver, the surviving spouse or dependent child may continue coverage, *at the employer-funded rate*, as long as eligible.* (A full text version of the legislation is available online at www.scstatehouse.net.)

For a surviving spouse, eligibility ends at remarriage. For a surviving dependent child, eligibility continues until age 19 (unless the dependent child is incapacitated) or until age 25 for a full-time student.

The Employee Insurance Program (EIP) is making every effort to identify those surviving spouses and dependents who may be affected by this legislation. However, EIP is also asking benefits administrators to help identify covered survivors of covered employees, who were killed in the line of duty after December 31, 2001, and to contact EIP at 803-734-0678 (toll-free at 1-888-260-9430).

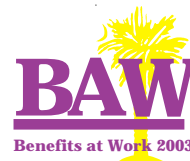
**Note: If the employer of the covered deceased individual is a local subdivision that does not provide an employer contribution toward retiree insurance coverage, the surviving spouse or dependent child may continue coverage, at the full rate, as long as eligible.*



Mammo-graphy Network termination

Greenville Radiology, P.A., will terminate its participation in the Mammography Network, effective August 15, 2003. Any State Health Plan subscribers in the Greenville area, who need to locate another participating provider, may access the network provider directory on the Internet at www.eip.state.sc.us or directly at www.southcarolinablues.com. The provider information is updated regularly.

Reminder:



**Registration Deadline
August 8**

South Carolina
Budget and Control Board
Employee Insurance Program



P.O. Box 11661
Columbia, South Carolina 29211
803-734-0678 • 1-888-260-9430
www.eip.state.sc.us

How would you like your benefits statements sorted?

This year, benefits statements for all covered employees in your group will be mailed to you in mid-September. Retiree, COBRA participant and survivor benefits statements will be mailed directly to those subscribers.

If you are a non-Comptroller General payroll group and would like to receive your employees' statements sorted by departmental code, you will need to submit to the Employee Insurance Program (EIP) a file listing of your employees on a 3½" high density, ASCII-formatted diskette. The diskette's label should contain the benefits administrator's name, the entity name and insurance group number.

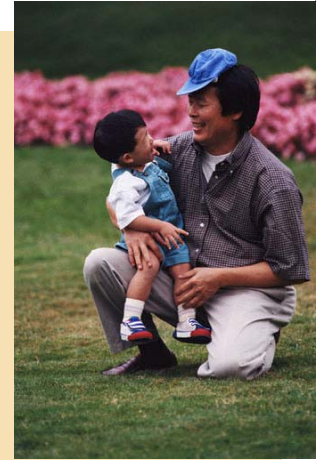
The following fields and data must be included on the diskette:

- SSN (N9)
- Last Name (A20)
- Group ID (A7) (entity employer group ID assigned by EIP)
- Dept. Code (A5)
- Spaces (A4)

Diskettes should be mailed to: EIP Operations Department, P.O. Box 11661, Columbia, SC 29211. In order for your statements to be sorted by department code, EIP must receive your diskette no later than August 15, 2003. Any requests received after August 15 will not be honored.

A report of your employees' benefits statement information will be available on the Accounting and Billing Web site as of September 5, 2003; you can access this Web site via the EIP Web site at www.eip.state.sc.us. Hard copies will be mailed to entities without Internet access. If you have any questions regarding the diskette and data requirements, please call 803-737-6930.

State Employee Adoption Assistance Program authorized for FY 2003-04 ①



The Fiscal Year 2003-2004 budget authorized \$700,000 for the State Employee Adoption Assistance Program. Eligible employees who adopted a child from July 1, 2002, through June 30, 2003, may apply for financial assistance relating to the adoption. *To be eligible, you must participate in the Employee Insurance Program (EIP) and be employed when the application is submitted and when the payment is forwarded to the service provider.*

Payments will be made to service providers for costs related directly to the adoption, such as:

- Medical costs of the biological mother not covered by other insurance, Medicaid or other available resources;
- Medical costs of the child not otherwise covered;
- Licensed adoption agency fees, legal fees and guardian ad litem fees;
- Allowable travel fees associated with the adoption process.

Applications must be submitted from July 1, 2003, through September 30, 2003, for adoptions finalized from July 1, 2002, through June 30, 2003. Following the September 30 deadline, payments will be sent to providers based on itemized bills submitted with the applications, and applicants will receive confirmation of those payments.

For more information or for an application, call EIP at 803-734-1696 (toll-free at 1-888-260-9430).

Long Term Care Insurance— Why you should consider it^①



The Long Term Care (LTC) Insurance Plan, offered by Aetna, can help pay for ongoing care and services provided in a nursing home, adult day care center, or your own home. Services can involve skilled/intermediate nursing care or care from a family member or friend.

This fall, during open enrollment, you will be able to choose from new LTC plan options offered at new, lower rates! You will be able to enroll in LTC (or change or increase your coverage if you're already enrolled), without medical evidence of good health. You will also be able to enroll your spouse, parents and parents-in-law, if they provide medical evidence of good health. In difficult economic times, you may think you and your family can do without LTC insurance and avoid the premiums, but can you afford to be without it? Read on before you decide.

Myths and Facts

Myth: My chances of needing LTC insurance are slim.

Fact: More than half the U.S. population will require some type of LTC during their lifetime.

- About 13 million Americans are currently receiving LTC; about 40 percent of those are ages 18-64.
- About seven million people ages 65 and older are currently receiving LTC; that number is expected to increase to nine million by 2005.

Myth: My health insurance/Medicare will cover all of my LTC needs.

Fact: Medicare covers only certain skilled care and limits hospice and home health care; it does not

cover nursing home or custodial care. Most health insurance plans also have similar limitations and do not cover care provided by family or friends, who are frequently the primary caregivers.

- Informal caregivers—family and friends—provide approximately 80 percent of the care to the chronically ill in the U.S.
- More than six million elderly Americans need assistance from family or friends to be able to remain at home. This assistance may include care or financial assistance or both.

Myth: When I need LTC, I'll pay for the expenses out-of-pocket.

Fact: Few can afford to pay for LTC services, and to do so usually means spending down assets, including money for children's education, retirement savings and even the spouse's savings. Most of the care ends up being provided by family members and friends, who struggle

themselves to balance their work and caregiver responsibilities.

- The cost of nursing home care has grown 25 percent in the past two years and now averages \$54,900 per year.
- About 25 percent of American employees currently provide some type of care for an elderly relative, and about 50 percent of these caregivers work full-time.
- Employees who care for an elderly family member for eight or more hours a week may lose tens of thousands of dollars over their lifetime in wages, reduced Social Security benefits and lower contributions toward retirement.
- Caregivers double their chances of remaining in the workforce if the disabled person for whom they are caring has long term care insurance.

LTC insurance can mean peace of mind for you and your family.

Continued on page 4

Schedule your enrollment meeting soon!



During September and October, Employee Insurance Program (EIP) Field Services staff will be available to meet with your employees to update them on plan changes for the coming year. This may be done through enrollment meetings, presentations and benefits fairs.

EIP Field Services staff will be happy to schedule one of these events for you at your request. With many changes anticipated for 2004, you should call soon to schedule. Contact Karen Sanders at 803-734-1440 (toll-free at 1-888-260-9430), or e-mail her at ksanders@eip.state.sc.us for details.

NOE reminder when selecting an HMO

Whenever an employee completes a Notice of Election (NOE) form to select a health maintenance organization (HMO) or an HMO with a point-of-service option, please be sure the name of the plan is stated clearly, in the space provided, as indicated below. For example, the plan should not be listed as just "Companion" or "CIGNA."

Why is this important? The Employee Insurance Program (EIP) cannot assign the type of plan automatically for the employee. Employees may select an HMO, with or without the point-of-service option, based on its availability in the service area in which they *work* or in the service area in which they *reside*. Many employees live and work in different service areas;

The choice of HMO should be printed clearly on the NOE:

- Companion HMO
- Companion Choices (or Companion Point of Service)
- CIGNA HMO
- CIGNA Point of Service
- MUSC Options

many work in a different location, even a different service area, from the employer's main office. It is important employees be specific as to which HMO they want.

Please help EIP know what your employees want and avoid NOEs returned for further clarification. Your assistance is truly appreciated!

Long Term Care

Continued from page 3

Financial planners say one of the biggest mistakes investors make is failing to consider their LTC needs. More and more, LTC insurance is considered an integral part of financial and retirement planning. With the high costs of LTC and the aging of our population, people need to become more informed about LTC—its costs, the resources available and coverage options. Stay tuned for more information about Aetna's new LTC choices in *The Insurance Advantage*, coming to you this fall.

Sources: Aetna, "Long Term Care Statistics Factsheet," April 2003; Americans for Long Term Care Security
Web site: www.ltcweb.org

More on the Authorized Representative Form ⓘ

In the April/May 2003 issue of *Insight*, we discussed the Health Insurance Portability and Accountability Act of 1996 (HIPAA) Privacy Rule and the need for a signed Authorized Representative Form to be on file with the Employee Insurance Program (EIP) if an individual would like to designate another person to request protected health information on behalf of the individual. An Authorized Representative Form allows an individual to designate a person as his representative who can receive personal health information, such as claims or premium information, diagnoses and procedure information (but not psycho-

therapy notes). It does not give the authorized representative any authority over any treatment or direct-care decisions. The Authorized Representative Form is available on the EIP Web site at www.eip.state.sc.us, or you may contact EIP to have an Authorized Representative Form sent to you.

The HIPAA Privacy Rule also allows a person to present a valid **health care power of attorney** in lieu of the Authorized Representative Form. A health care power of attorney grants the person named as an individual's agent the power to make health care decisions on behalf of the individual if he or she cannot

make them, including decisions about life-sustaining treatment. A **durable power of attorney** may or may not address health care issues and might not suffice as a substitution for the Authorized Representative Form, depending on its contents and adherence to statutory requirements. Durable powers of attorney typically include delegating powers to another person, such as buying/selling real estate, opening/closing bank accounts, etc.

Please contact EIP at 803-734-0678 (toll-free at 1-888-260-9430) if you have any questions about using a health care power of attorney or durable power of attorney instead of the Authorized Representative Form. Both powers of attorney are legal documents that you should discuss with your attorney.

“America on the Move”: An easy program to help you lose the pounds!①

At a time when obesity is the second leading cause of preventable deaths in the U.S., a new movement is sweeping the country to curb Americans’ average weight gain of one to three pounds per year. “America on the Move” (AOTM) is a national, grassroots initiative that provides simple, action-oriented solutions to managing weight. Based on a scientifically proven concept of achieving balance between the calories you eat and the energy you burn, AOTM is backed by research conducted by Dr. James Hill, AOTM founder and director for the Center for Human Nutrition at the University of Colorado, and supported by the National Institutes of Health.

The AOTM program provides people with simple tools for achieving energy balance by reinforcing more activity and healthy eating for weight control. AOTM promotes simple activities and attainable goals, such as taking 2,000 extra steps a day to help stop weight gain and the many health complications that result from being overweight.

More than 60 percent of American adults do not exercise at the federally recommended amount of 30 minutes daily; 25 percent do not exercise at all. More than 120 million Americans, or 64.5 percent of the adult population, are overweight, and almost 59 million, or 31 percent, are obese. Weight-related, preventable illnesses are increasing, driving up health care costs and reducing workplace productivity. After smoking, obesity is the second leading cause of preventable death, and it will surpass smoking if the trend continues. In fact, America spends \$117 billion a year on obesity-related diseases. About 300,000 Americans die of such diseases annually.

How to Join “America on the Move”

Visit www.AmericaOnTheMove.org to join and receive information about exercise and healthy nutrition. The State Health Plan Prevention Partners strongly encourages all worksites and individuals to participate in AOTM. The program is beneficial and easy to implement. Prevention Partners also offers pedometers (recommended for the program) for \$15.75. To order a pedometer, complete and return the order form below.

Budget update

There was no additional funding for the State Health Plan in this year’s state budget. Because of the absence of additional funding, it is thought at this time that the employer contribution for the health program will remain constant for 2004. However, state law permits the South Carolina Budget and Control Board to establish contribution rates independent of funding considerations. Therefore, the Employee Insurance Program (EIP) is unable to make a definitive statement on employer contribution rates for 2004 until after the Budget and Control Board meeting, scheduled for August 5.

Furthermore, EIP cannot provide any guidance on changes in enrollee contributions and the Plan of Benefits until after the August 5 meeting.

Pedometer Order Form Please Print

Name: _____ Price: **\$15.75 (Price Includes Tax)**

Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Work Telephone: _____ Home Telephone: _____

E-mail: _____

Make check payable to Employee Insurance Program (EIP). Do not send cash.
Mailing Address: Prevention Partners, 1201 Main Street – Suite 830, Columbia, SC 29201


South Carolina Budget and Control Board
Employee Insurance Program
1201 Main Street, Suite 300
PO Box 11661
Columbia, SC 29211



Send address corrections to EIP

If you received a list of incorrect mailing addresses for some of your employees, please update those addresses, using Address Change Forms or Notice of Election forms, and send them back to the Employee Insurance Program (EIP) as soon as possible. The postal service was not able to provide current addresses for these listed individuals.

These changes of address affect your employees' ability to receive not only important communications sent from EIP, but also from the other vendors. Your help will ensure your employees receive important communications regarding the programs in which they are enrolled. This is especially important with open enrollment coming soon! If you have any questions, please call EIP at 803-734-0678 (toll-free at 1-888-260-9430).

Remember, whenever you see a red information icon——at the end of an *Insight* article headline, you can pass along the article to your employees, just as it's written. This should save you time and help you identify information to share.

Insight

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